

Old Age, Disability, Death

First law: 1924.

Current law: 1993, amended 1994.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 12.5 Kroons (EEK).

Coverage

Permanent residents for whom employers are paying social tax.

Source of Funds

Insured person: Employees—none; self-employed, individual farmers and members of the liberal professions—20% of income above statutory minimum salary.

Employer: Portion of social tax, which totals 20% of employee's gross salary.

Government: Any deficit; funeral grants.

Qualifying Conditions

Old-age pension: Minimum pensionable length of service: 15 years in the Republic of Estonia. Until January 1, 1994, the retirement age was 60 for men and 55 for women. Since then the pensionable age has been rising by 6 months per year, and will continue to rise until it reaches 65 for men and 60 for women in 2003.

In certain cases, persons have the right to old-age pension under favorable conditions such as: mothers who have given birth to 5 or more children, persons who have reared a disabled child, and persons who have worked under extremely unhealthy and arduous conditions may be eligible for retirement 10 years before the normal pensionable age (minimum length of service 20-25 years for men, 15-20 years for women.)

National pension: Age 65 for men, 60 for women.

Disability pension: Full or partial permanent or long-term disability for work regardless of pensionable length of service.

Survivor pension: Survivors incapable of gainful activity; the children and surviving spouse are entitled to pension whether they were dependents of the breadwinner or not. Survivors include: children, siblings, grandchildren under age 18 or disabled; parent, surviving spouse or guardian not gainfully employed and raising the breadwinner's children, brothers, sisters or grandchildren under 14 years of age. Pensions are not taxed.

Old-Age Benefits

National pension: Set by legislature and adjusted for changes in the cost of living. 360 EEK, rising to 410 EEK April 1, 1995.

Old-age pension: The basic pension sum is equal to the national pension. This is supplemented by a certain percentage of the national pension for every year of pensionable coverage: 15-19 years, 1.0%; 20-24 years, 0.1.1%; 25-29 years, 1.2%; 30-34 years, 1.5%; 35-39 years, 1.6%; 40 or more years, 1.7%.

Permanent Disability Benefits

Disability pension: In three categories, depending on the degree of disability. Benefit categories are 125%, 120% and 85% of national pension. Disabled child under 16—105% of national pension (160% if entitled to survivor pension, 200% if orphan).

Survivor Benefits

Survivor pension: For every adult, 105% of national pension; for every child under age 18, 100% of national pension; for an orphan, 125% of national pension.

Funeral grant: 900 EEK.

Administrative Organization

Ministry of Social Affairs: General management and supervision.

National Social Insurance Board: Overall planning and guaranteeing payment of pensions.

Regional pension offices: Administration on local level.

Sickness and Maternity

First law: 1924.

Current law: 1991, amended 1994.

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Insured employees, employers, farmers, individual workers and their families.

Medical benefits: All permanent residents.

Source of Funds

Insured person: None; self-employed, individual farmers and members of the liberal professions, 13% of income in excess of minimum salary.

Employer: Part of social tax (13% of employee's gross salary used to fund this program).

Government: None

Qualifying Conditions

Sickness benefits and medical care: Current affiliation regardless of length of service.

Medical benefits: All permanent residents.

Sickness and Maternity Benefits

Sickness benefit: Compensation equivalent to a certain percentage of worker's average income is paid for each calendar day: 60% for hospital treatment; 65% for sanatorium; 80% for polyclinic or home treatment.

From first day of sickness: Caring at home for a family member over 14 years of age, 80% for 7 calendar days; caring at home for a child under 3 years of age (up to 16 years for a disabled child) if the mother is ill, 80% for 14 calendar days; caring for a child under 14, 100% for 14 calendar days.

Maternity benefits: 100% of worker's average income for 126 calendar days; in the case of multiple births: 140 calendar days.

Workers' Medical Benefits

Medical benefits: Provided by state and local medical institutions: diagnosis, maintenance and treatment.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for workers.

Administrative Organization

Ministry of Social Affairs: General management supervision and planning.

Central Sickness Fund: Coordination of health insurance.

Local sickness funds: Administration of health insurance in counties and towns. Medical care provided by doctors, polyclinics, hospitals, etc. Benefits are paid to the insured by the sickness fund through the employer.

Work Injury

First law: 1924.

Current law: 1991, amended in 1994.

Type of program: Social insurance system.

Coverage

Insured employees, farmers, self-employed and their families.

Source of Funds

Insured person: Same as for pensions.

Employer: Same as for pensions.

Government: None.

Qualifying Conditions

Work-injury benefits: All permanent residents.

Temporary Disability Benefits

Temporary disability benefits: 100% of average income until recovery or determination of degree of disability.

Permanent Disability Benefits

Permanent disability benefits: Same as temporary disability.

The responsible employer pays the disabled person compensation for loss of earnings from which the disability pension is subtracted.

Workers' Medical Benefits:

Medical benefits: Same as in other cases of illness.

Survivor Benefits

Survivor pension: Same pension as in other cases of survivor pensions. The responsible employer pays compensation for loss of earnings from which the survivor pension is subtracted.

Administrative Organization

Ministry of Social Affairs: General management and supervision.

Local sickness funds: Administration of health insurance in counties and towns. Medical care provided by doctors, polyclinics, hospitals, etc.

Regional Pension Offices: Administration and payment of permanent disability benefits.

Unemployment

First law: 1991.

Current law: 1994.

Type of program: Unemployment assistance.

Coverage

Permanent residents aged 16 or over (up to pensionable age) who are capable of gainful activity.

Source of funds

Insured person: None.

Employer: None.

Government: Total expenditure.

Qualifying Conditions

A person who has been registered as unemployed by the employment service and has worked for at least 180 days during a period of 12 months before becoming unemployed.

Unemployment Benefits

Unemployment benefit: 180 EEK for 180 calendar days; may be extended for additional 90 days under exceptional circumstances.

The grant for attending retraining courses is at least

1.5 times higher than unemployment benefit (in 1995, 450 EEK.)

Payable for up to 6 months. Also a benefit for persons with diminished ability to compete, such as disabled, young people ages 16-20, persons who will reach pensionable age within 5 years and prisoners regaining freedom. One-time grant of up to 8,000 EEK for first-time job seekers.

Administrative Organization

Ministry of Social Affairs: General management and supervision.

Labour Market Board with local employment offices: Registering the unemployed, job search, retraining, guaranteeing payment of benefits.

Family Allowances

First law: 1922.

Current law: 1994.

Type of program: Social insurance system.

Coverage

Families with children permanently residing in Estonia.

Source of Funds

Insured person: None.

Employer: None

Government: Total cost.

Qualifying Conditions

Family allowances: All children until age 16, age 19 if full time student.

Family Allowance Benefits

Family allowance benefits: Child benefit, adjusted for cost of living, 105 EEK per child. Additional 35 EEK for second, 85 EEK for each subsequent child. Children on state subsistence receive 50% of regular benefit.

Birth grant: 12 times child's benefit.

Subsistence benefit: A parent on maternity leave or not working receives two times the child's benefit for each child under 18 months of age. A parent on maternity leave or not working with children aged 18 months to 3 years receives one child's benefit for each child; a non-working parent with a disabled child aged between 1.5 and 18 years receives 1.5 times a child's benefit for each disabled child. Benefit for a child of a serviceman in the national armed forces: one child's benefit for each child, payable for the whole period of the parent's service.

Guardian's benefits: Payable if child is under age 16 (age 19 if full-time student) at two times the child benefit for each child.

Single parents receive: if parent is disabled, 1.5 times child benefit for each child; single mother or where other parent has disappeared and is not contributing child support, 0.6 times child benefit for each child.

Start-in-life allowance: Children establishing their own first residence are entitled to a one-time allowance of EEK 3,000.

Paid leave for parent of disabled child: One working parent of a disabled child is entitled to paid leave of one extra day per month.

Level of payment is based on the parent's average salary.

Administrative Organization

Ministry of Social Affairs: General management and supervision.

National Social Insurance Board: Overall planning and guarantee of benefits. Benefits are paid by the regional pension offices.

Contact—Peter Puidak—202-282-7294
